



INDUSTRY CIRCULAR

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20226

Number: 83-3

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ELIMINATION OF MARKING REQUIREMENTS FOR DEVICES APPROVED AS ALTERNATIVES TO THE RED OR GREEN FEDERAL STRIP STAMPS

Proprietors of Distilled Spirits Plants, Importers of
Distilled Spirits and Others Concerned:

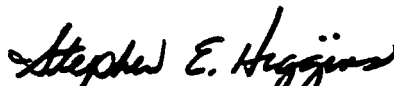
PURPOSE. The purpose of this circular is to notify you of a Temporary Rule, Treasury Decision ATF-123 that was published in the Federal Register on January 12, 1983. This action revokes 27 CFR 19.613 and eliminates the requirement that alternative devices used in lieu of Federal strip stamps be marked with the State and plant number of the distilled spirits plant. Comments received from the distilled spirits industry have stated that the identification mark requirements caused operational difficulties and the purchase of expensive additional equipment. Also, we have determined that this coding requirement does not significantly contribute to the accountability of alternative devices.

BACKGROUND. Public Law 94-569 amended the Internal Revenue Code of 1954 to permit the Secretary to authorize alternatives to strip stamps on containers of distilled spirits. Temporary regulations published as T.D. ATF-62 implemented this change and provided procedures and criteria for the use of alternative devices in 27 CFR 19.663. Among the criteria for the approval of alternative devices is that they be marked in accordance with 27 CFR 19.613, that is, with the State and plant number of the distilled spirits plant. Later, the Bureau received petitions from the industry asking that those required identification marks be placed on the bottle labels. In response to these requests, the Bureau allowed those marks to be placed on the alternative devices or on the bottle labels.

Although in T.D. ATF-62 alternative devices for use in lieu of strip stamps were authorized only for proprietors of domestic distilled spirits plants, that privilege was later extended to distilled spirits importers as an alternate procedure under the provisions of 27 CFR 251.221. Alternative devices for importers have been approved, based on equivalent criteria to those prescribed for domestic distilled spirits plants, including the condition that the devices or, alternatively, a bottle label be marked with the importer's Federal Basic Permit number. Therefore, in revoking the marking requirement in section 19.613, the Bureau intends that the marking requirement imposed as a condition of the alternate procedures under section 251.221 be nullified for the use of alternative devices by importers.

EFFECT ON THE DISTILLED SPIRITS INDUSTRY. The requirements of section 19.613 have been revoked. Distilled spirits plants and importers of distilled spirits using approved alternative devices will no longer be required to place their Federal plant or permit identification marks on alternative devices or on the bottle labels.

INQUIRIES. Proprietors who have questions about the application of the aforementioned Temporary Rule, Treasury Decision ATF-123, should contact the appropriate ATF Regional Regulatory Administrator.


Stephen E. Higgins
Acting Director